



FIFTY-FOURTH SESSION  
5-9 November 2018  
Yokohama, Japan

**DECISION 5(LIV)**

**ENHANCING THE FINANCING ARCHITECTURE AND  
FUNDRAISING OF THE ORGANIZATION**

The International Tropical Timber Council,

Recognizing the need to examine and improve the current funding structure of the Organization;

Recalling Decision 9(LIII) that called for the establishment of an ad-hoc working group to consider options and make proposals in its report to the Executive Director for improving ITTO financing infrastructure and fundraising strategies;

Taking note of the report of the Ad Hoc Working Group on Financing Infrastructure;

Further recognizing that international donor trends have changed significantly since 2000 and as well as the mechanisms of Official Development Assistance (ODA) transfers;

Acknowledging that the Organization has taken substantive steps to strengthen internal controls and decision making processes, including through the implementation of the IPSAS accounting requirements and development of gender, social, and environmental safeguards, in order to increase transparency and re-establish the Organization's credibility, effectiveness and integrity since the financial impairment that occurred 2015-2017;

Further recognizing that in order to increase funding for ITTO, additional approaches to fundraising must be undertaken by the Organization;

Urging Members to make additional resources available through voluntary contributions and pay their assessed contributions in a timely manner;

Understanding the need to streamline the ITTO project development process and to improve chances of project proposals being financed;

Decides to:

1. Request the Executive Director to pilot an additional fundraising approach focused on pro-active development of proposals with potential sources of funding and/or participate in tenders which address/contribute to the objectives of the ITTA and the strategic priorities of the Organization, taking into consideration the need for transparency, and opportunities for member engagement;
2. Authorize the Secretariat to engage appropriate short term fundraising and/or marketing specialist(s) to build and supplement internal capacity related to fundraising efforts of the Organization, as necessary;
3. Requests the Secretariat, building upon the results of the past 2013 survey, to carry out an electronic survey prior to the next Council Session in order to gain more information on what Members see is the value and competitive advantage of ITTO and how it could transform to

become a more attractive investment for members/partners/funders. The survey will help inform the development of ITTO's services and fundraising strategies;

4. Extend for one year the mandate of the ad-hoc working group established in accordance with Decision 9(LIII) to:
  - Closely collaborate with Secretariat, to develop a proposal for a new "streamlined project cycle" concept to be presented at the Fifty-fifth Council Session;
  - Assist in the development of appropriate themes to be used in fundraising proposals.
5. Urge prioritization in the submission of projects, to the extent possible, by individual Members with numerous projects in the pipeline to facilitate efforts for their financing;
6. Requests the Executive Director to cluster existing projects awaiting financing and incoming ones under appropriate themes and to explore emerging funding opportunities;
7. Request the Executive Director to report annually to Council on the progress made in the implementation of this Decision;
8. Requests the Secretariat to include in the annual financial report for calendar years 2019, 2020 and 2021 the revenue, direct and indirect costs associated with implementing the pilot;
9. Request the Executive Director to undertake a review of the implementation of this Decision in 2022, including the long-term effectiveness and feasibility of the pilot approach, and that the outcome report will be provided to Members no later than 90 days prior to its consideration at the Fifty-eighth Session of Council;
10. Authorizes the Executive Director to utilize the remaining funds from Decision 9(LIII), which allowed for an amount not exceeding US\$300,000 from the Working Capital Reserve and authorize up to an additional US\$50,000 from the Working Capital Reserve in 2019, if needed;
11. Request the Executive Director to develop an estimated budget for additional funding requirements, if needed, to be considered at subsequent Council Sessions.

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